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Oh, the state of the union ...

By Molly Ivins
Creators Syndicate

The state of the union is that money talks and public policy is sold to the highest bidder. Those who give money in political contributions -- less than 0.1 percent of the U.S. population gave 83 percent of all campaign contributions in the 2002 elections -- get back billions in tax breaks, subsidies and the right to exploit public land at ridiculously low prices.

This system in turn costs ordinary Americans billions of dollars, not to mention the costs to health, safety and the environment, and the cost of not having enough money for good schools.

Public Campaign, the group working for public financing of political campaigns, has put together some of the salient information in the form of a poster, available at www.publiccampaign.org.

And perhaps the most depressing thing about it is the size of the payoffs for relatively small investments in political campaigns.

For example, the top corporations that paid zero taxes from 1996 to 1998 --including AT&T, Bristol-Myers Squibb, Chase Manhattan, Enron, ExxonMobil, General Electric, Microsoft, Pfizer and Phillip Morris -- gave \$150.1 million to campaigns from 1991 to 2001. Public Campaign reports that they got \$55 billion in tax breaks from '96 to '98 alone, perennial legislation to gut the alternative minimum tax and billions in rebates to select corporations.

Public Campaign also notes that we paid with a huge shift in who pays more into the federal treasuries: Three times as much money now comes from working people's payroll taxes as from corporate tax payments.

The entire system of taxation is regressive. The only way that the spinners of damn lies and statistics can get away with claiming that the rich pay more in taxes is because they count only the income tax, which is progressive. (That's why it's called the progressive income tax.) But sales taxes, excise taxes, import tariffs, payroll taxes and the whole burden of state taxes (which are notoriously regressive in states like Texas) give an entirely different picture.

The Consumer Expenditure Survey prepared by the Bureau of Labor Statistics, which I found in the Jan. 21 *New York Times*, shows that the burden from nearly all forms of taxation -- income, excise, sales, property and payroll -- is spread fairly evenly up and down the scale.

The poorest fifth, with an average income of \$7,946, have a cumulative tax rate of 18 percent. (Those are the folks so memorably referred to by *The Wall Street Journal's* editorial writers as "lucky duckies.") The richest fifth, with an average income of \$116,666, now pay 19 percent in cumulative taxes -- and that of course goes down under the Bush plan. The percentages for the three middle quintiles are 14, 16 and 17.

There is double taxation throughout the system, yet President Bush is concerned only about the "double

taxation" of dividends. The poorest fifth of Americans have an average of \$25 in dividend income; the richest fifth have \$1,188. Yet \$364 billion out of a \$674 billion "economic stimulus" plan is for ending taxes on dividends.

The big winners in our cash-and-carry system of government are corporate special interests. Public Campaign finds that for a mere \$48.9 million in campaign contributions, from 1989 to the present, the managed health care and health insurance companies got protection from lawsuits by patients who have been denied medical care, and the defeat of proposed laws that would make it easier for patients to choose their own doctor and would get their emergency room visits reimbursed.

We pay with more than 41 million Americans lacking health insurance, billions in wasted premiums spent on advertising, duplicative paperwork and insurance company bureaucracies -- and with unnecessary death and suffering when HMOs overrule doctors.

For a lousy \$318.7 million in contributions, the resource-extracting industries (oil and gas, mining, electric utilities, chemical manufacturers and timber) got \$33 billion in tax breaks in pending energy legislation; a weakened Superfund toxic cleanup law; the freedom to remove the tops of mountains and dump the waste in valleys and streams; lax regulation of energy markets; and other regulatory relief, such as not having to close high-pollution smokestacks.

Public Campaign points out we pay with dirtier air and water; despoiled national parks, forests and wilderness; high rates of childhood asthma; millions in price-gouging; and heavily polluted toxic waste sites whose cleanup has been put in jeopardy.

As Kevin Phillips reports in *Wealth and Democracy*, the entire top 1 percent, more than 1 million families, increased their average net worth by 75 percent during the 1990s.

The net worth of the middle quintile, adjusted for inflation, declined 10 percent between 1983 and 1995 and rose briefly in 1998 and 1999, only to slide back after 2000.

"Wage earners in the United States collectively ended the decade with less pension and health coverage, as well as with the Industrial West's least amount of vacation time, shortest maternity leaves and shortest average notice of termination," says Phillips.

The Bureau of Labor Statistics says the typical American worked 350 more hours per year than the typical European, the equivalent of nine workweeks.

That's the state of the union.

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